

# STATE OF INDIANA

DEPT OF LOCAL GOVERNMENT FINANCE  
BUDGET DIVISION



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## MEMORANDUM

DATE: September 4, 2008

TO: All Fiscal Officers of Political Subdivisions

FROM: Cheryl A. W. Musgrave, Commissioner *cmw*

RE: 2009 Budget Reviews by County Councils

Effective July 1, 2008, IC 6-1.1-17-3.5 ([www.in.gov/legislative/ic/code/title6/ar1.1/ch17.html](http://www.in.gov/legislative/ic/code/title6/ar1.1/ch17.html)), requires all civil taxing units (any entity, except a school corporation, that has the power to impose an ad valorem property tax) that will impose property taxes due and payable in the ensuing year to submit budget information to the fiscal body of the county (council) for review.

**As this is a "shall" provision, the Department of Local Government Finance will complete the budget certification process for each county when every civil taxing unit has submitted the information to their county council, and the county council has reviewed the budgets, rates, and levies for all units.**

To assist with this new process, the DLGF has provided to each county the most recent information available concerning increases in the non-farm personal income increases for the state and the county. A copy of this memo is available on our Web site at: [www.in.gov/dlgf/files/Memo-CountyPersonalIncomeGrowthQuotients.pdf](http://www.in.gov/dlgf/files/Memo-CountyPersonalIncomeGrowthQuotients.pdf). The six-year average growth rates and prepared summary reports of that information for each county is available at: [www.in.gov/dlgf/files/Memo-COUNTY-PERSONAL-INCOME-GROWTH-QUOTIENTS-JULY2008.xls](http://www.in.gov/dlgf/files/Memo-COUNTY-PERSONAL-INCOME-GROWTH-QUOTIENTS-JULY2008.xls).

Additionally, the DLGF has developed forms that each county and civil taxing unit may use to submit and compare the budget and tax information. This information can be found at [www.in.gov/dlgf/6800.htm](http://www.in.gov/dlgf/6800.htm). Use of these forms is entirely voluntary, however, they may also serve as certification to the DLGF that the county fiscal body (county council) has reviewed the budgets, rates and levies for the required units.

According to statute:

The civil taxing unit **shall** file with the county council:

- (1) a statement of the proposed or estimated tax rate and levy for the ensuing year **and**
- (2) a copy of the civil taxing units proposed budget for the ensuing year.

The civil taxing unit must file the information with the county council at least (15) fifteen days before the civil taxing unit meets to fix the budget, rates, and levies.

The county fiscal body **shall**:

- (1) review the proposed or estimated tax rate or levy or proposed budget **and**
- (2) issue a nonbinding recommendation to the civil taxing unit regarding the proposed or estimated tax rate or levy or proposed budget.

The recommendation must include a comparison of any increase in the unit's budget or tax levy to:

- (1) the average increase in Indiana non-farm personal income for the preceding six (6) calendar years and the average increase in non-farm personal income for the county for the preceding six (6) calendar years and
- (2) increases in the budgets and tax levies of other civil taxing units in the county.

These requirements do not apply to county budgets or to any unit in a county that has a county board of tax adjustment that reviews budgets, tax rates, and tax levies. Delaware County is the only such county. Budgets for units located in more than one county must file the information with the county where the greatest amount of assessed value is located.

Please let us know if you encounter any difficulties so we may offer assistance.

Please contact Dan Jones at [djones@dlgf.in.gov](mailto:djones@dlgf.in.gov) with any questions.